



HAL QUINN
President & CEO

November 27, 2018

U.S. House of Representatives
Washington DC, 20515

Dear Member of Congress:

The National Mining Association (NMA) urges you to remove Sec. 152 of the *Retirement, Savings, and Other Tax Relief Act of 2018* and the *Taxpayer First Act of 2018 (H.R. 88)*, which raises by 120 percent the Black Lung Excise Tax (BLET) that will be paid by the coal industry beginning January 2019.

The current BLET tax is not expiring; it is scheduled to revert to its original level. By agreement in 1986, the temporary tax rate increase is scheduled to revert to its original levels of \$0.50 per ton of underground coal and \$0.25 per ton of surface coal on January 1, 2019. Extending the current higher tax rates beyond their scheduled reduction would impose an ill-advised \$200 million annual tax increase on the coal industry at a time when the industry is already experiencing significant economic stress. If the provision is not removed before floor consideration of the *Retirement, Savings, and Other Tax Relief Act of 2018* and the *Taxpayer First Act of 2018*, NMA's Count on Coal will include this floor vote in its Congressional Scorecard for the 115th Congress.

Before considering another extension of the higher coal excise tax rates, Congress should examine the potential adverse impact of the tax on remaining coal industry participants. The higher tax will have damaging repercussions – repercussions that are unnecessary given that revenues from the scheduled reduction will continue to exceed what the black lung disability trust fund requires for benefits payments. Recipients of benefits from the black lung disability trust fund are at no risk of losing their benefits.

Recall that the Black Lung Disability Trust Fund only pays benefits for claims when no responsible operator can be identified. In addition to the excise tax, and separate from the fund, each operator of a coal mine is responsible for paying benefits to its miners. When a claim for benefits is approved, it is paid by the responsible operator, which is generally the last coal operator to employ the miner. Industry is committed to ensuring that all miners

who suffer from black lung receive the benefits they deserve, and it is already paying in many ways to ensure that happens.

A tax increase at any level, especially a 120 percent tax hike on each unit of coal production, will further disadvantage coal against competing energy sources, likely leading to a significant further loss in coal mining industry employment. Moreover, such a tax increase would undercut the job-creating impact of the *Tax Cuts and Jobs Act* Congress enacted last year that provided much needed relief for its recovery and investment to grow and create jobs. For these reasons, we urge you to remove Sec. 152 of the *Retirement, Savings, and Other Tax Relief Act of 2018* and the *Taxpayer First Act of 2018*.

Sincerely,

A handwritten signature in black ink, appearing to read 'Hal Quinn', with a stylized, cursive script.

Hal Quinn